



# ASSET MANAGEMENT POLICY

## DOCUMENT CONTROL

<b>Managed by:</b>	Operations
<b>Status:</b>	Approved
<b>Responsible position:</b>	Asset Management Coordinator
<b>Contact number:</b>	03 5153 9500
<b>Date approved:</b>	02/07/2013
<b>Version:</b>	6
<b>File number:</b>	5304016
<b>Approved by:</b>	Council
<b>Next review date:</b>	July 2014
<b>Security classification:</b>	Public

## CONTENTS

<b>1. PURPOSE .....</b>	<b>3</b>
<b>2. POLICY STATEMENT.....</b>	<b>3</b>
Training and Tools .....	3
Audit and Review Procedures.....	4
<b>3. RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE .....</b>	<b>4</b>
<b>4. SCOPE OF POLICY .....</b>	<b>5</b>
<b>5. REFERENCES / ASSOCIATED DOCUMENTS.....</b>	<b>5</b>
<b>6. PRIVACY AND HUMAN RIGHTS CONSIDERATION .....</b>	<b>5</b>
<b>7. DEFINITIONS AND ABBREVIATIONS.....</b>	<b>5</b>
<b>8. SUPPORTING PROCEDURES / GUIDELINES .....</b>	<b>6</b>

---

### REVISION HISTORY *(Completed by Governance Officer)*

Revision Ref. No.	Approved/ Amended/ Rescinded	Date	Council / Management	ECM Document Reference
Original	Approved	July 2006	Council	
2	Administrative update only	July 2009		
3	Comprehensive Review	10/11/2009	Council	
4	Administrative update to reflect new National Framework requirements	18/10/2010	J Websdale	
5	Comprehensive Review	13/12/2011	Council	4854697
6	Comprehensive Review / Approved	02/07/2013	Council	5304016

## 1. PURPOSE

The economic, social, environmental and cultural wellbeing of the East Gippsland Shire is underpinned by an extensive network of roads, drainage, property and other physical assets valued in excess of \$870 million (as at 1 July 2010).

Prudent management of these assets is a core Council function and critical to maximising the quality of life and financial sustainability of the organisation and our community, now and into the future.

As such, this policy provides a framework within which East Gippsland Shire Council will undertake the long-term planning and management of its infrastructure and associated assets.

The policy is intended to support the management and implementation of the Asset Management Strategy (the Strategy) and to develop an asset improvement program.

## 2. POLICY STATEMENT

This Policy provides the strategic direction to manage all of Council's existing and future physical assets efficiently and effectively.

East Gippsland Shire Council will optimise the whole of life costs of its assets, whilst meeting the present and future service delivery needs of the community and minimising exposure to risk.

This will be achieved through the full implementation of a simple, logical and innovative asset management strategy that clearly articulates "where we are, where we are going and how we are going to get there" for every asset management function.

East Gippsland Shire Council has the following objectives for asset management:

- Establish and maintain a framework to enable the development and application of sound asset management practice throughout the organisation;
- To have a community engagement framework that enables community expectations to be considered in all significant decisions affecting infrastructure;
- Based on community feedback Council has adopted the Council Plan or which articulates the long term view to the provision and management of infrastructure assets;
- The asset management data is recognised as being timely, reliable, accurate and accessible to the organisation. The Asset management database will be maintained in an accurate and efficient manner by Council officers, and will include the following information;
  - Physical location
  - Asset valuation
  - Current condition
  - Risk assessment
  - Asset management plan

Finally, lifecycle costing is incorporated in all capital investment decisions based on the Asset Management Plans (Plans) for each major asset category. Full lifecycle analysis for the organisation's infrastructure informs Council's long term financial planning.

### Training and Tools

To achieve and maintain the required level of capability, skills and expertise to deliver best practice in asset management decision making, East Gippsland Shire Council will endorse adequate training and resources.

Training needs will be identified by the Asset Management Steering Group<sup>\*</sup>, and submitted to Human Resources for provision of the required training.

**Audit and Review Procedures**

This policy will be subject to review in accordance with the Council's review program or, when any other linked document is reviewed or amended, ensuring its relevance in terms of community needs and expectations, as well as Council objectives and statutory requirements.

**3. RESPONSIBILITY FOR IMPLEMENTATION AND COMPLIANCE**

The very nature of asset management requires input from, and interaction between, all facets of the organisation. Council recognises the importance of establishing well defined roles and responsibilities for its staff and Council with respect to asset management.

Roles and responsibilities are clearly defined in the Asset Management Strategy.

However, the accountability and responsibility for asset management initiatives are summarised below:

Party / Parties:	Roles and responsibilities:
Council	<ul style="list-style-type: none"> <li>• Adopt the Asset Management Strategy and associated Asset Management Plans, reviewing their implementation and monitoring their progress.</li> <li>• Ensure appropriate resources are available for asset management activities.</li> </ul>
Director Operations	Ensure all Managers are aware of their responsibilities and comply with the Policy, Strategy and Plans
Manager Waste and Assets	Ensure relevant staff are aware of their responsibilities and comply with the Policy, Strategy and Plans
Leadership Team*	<ul style="list-style-type: none"> <li>• Educate and promote awareness of the Asset Management function to staff, councillors and the community.</li> <li>• Support the Asset Management Steering Group*.</li> </ul>
Asset Management Steering Group*	<ul style="list-style-type: none"> <li>• Educate and promote awareness of the Asset Management function to staff and contractors.</li> <li>• Ensure reports comply with the STEP Program* and National Framework* prior to Chief Executive Officer submission for endorsement to authorities.</li> <li>• Review quarterly reports for submission to Executive Group.</li> <li>• Monitor and review implementation of the Policy, Strategy and Plans.</li> <li>• Provide advice and guidance to the Asset Management Unit.</li> </ul> <p>Assess asset and financial management skills across the organisation and recommend further training to Human Resources where required.</p>

<sup>\*</sup> Refer definitions Section 7

#### 4. SCOPE OF POLICY

This policy applies to all Councillors and Council Officers

#### 5. REFERENCES / ASSOCIATED DOCUMENTS

This policy will integrate with the following Council documents:

- Shaping the Future – Long Term Community Vision 2030
- Council Plan 2013-2017. “Place” objective 3, item 2.3 - ‘*Our Infrastructure meets current and future community needs.*’
- Asset Management Strategy
- Risk Management Policy
- Road Management Plan
- Long Term Financial Plan
- Asset Management Plans

Relevant Legislation:

- *Local Government Act 1989.*

#### 6. PRIVACY AND HUMAN RIGHTS CONSIDERATION

All personal information collected by East Gippsland Shire Council in connection with this policy will be handled in accordance with all applicable privacy legislation and will be used only for the purpose of compliance with the Act. Personal information about an individual held by Council must only be used to carry out the primary or directly related purpose of collection. Furthermore, Council must not collect personal information unless the information is necessary for one or more of its functions.

Individuals have the right to make a complaint to the Victorian Privacy Commissioner if they believe their privacy has been breached.

The Asset Management policy has been assessed as compliant with the obligations and objectives of the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

#### 7. DEFINITIONS AND ABBREVIATIONS

<b>Term:</b>	<b>Meaning:</b>
Asset	A fixed resource that is controlled by the Council for the purpose of satisfying a service potential or enabling the Council to meet its corporate objectives.
Asset Management	Combined management, financial, economic, engineering and social planning as applied to fixed assets. Objective is to provide the required level of service in the most effective and efficient manner now and into the future.
Asset Management Steering Group	An internal working group appointed by the Executive Group to ensure participation from all departments within Council.

Asset Management Plan	<p>A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide a specified level of service.</p> <p>A significant component of the plan is a long term cash flow projection for the activities.</p>
Asset Service Plans	<p>A plan that has been developed with consultation between the community and Council to deliver an agreed level of service for a particular asset class.</p>
Leadership Team	<p>A group made up of representatives from the Executive Group of Council.</p>
STEP Program	<p>A set of criteria published by the Municipal Association of Victoria on behalf of the Victorian State Government.</p>
National Framework	<p>The National Asset Management Assessment Framework as stipulated by the Australian Government.</p>
Strategy	<p>Asset Management Strategy adopted by Council. This document provides guidance to Council Officers in the implementation of this policy.</p>
Policy	<p>Asset Management Policy</p>
Plans	<p>Asset Management Plans. A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical and financial) over the lifecycle of the asset in the most cost effective manner to provide a specified level of service.</p> <p>A significant component of the plan is a long term cash flow projection for the activities.</p>

## 8. SUPPORTING PROCEDURES / GUIDELINES

Asset Management Strategy

Asset Management Plans (incorporating Asset Service Plans as required)

*Hardcopies of this document are considered uncontrolled please refer to the EGSC HIVE intranet site or ECM for the latest version*

*Produced with the permission of University of Wollongong*